

EXHIBIT 42

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UNITED STATES DISTRICT COURT
DISTRICT OF NEW HAMPSHIRE

SECURITIES AND EXCHANGE) Civil Action No.
COMMISSION,) 1:21-cv-00260-PB
Plaintiff,)
)
vs.) VOLUME 1
) (Pages 1 to 162)
LBRY, INC.,)
Defendant.)

CONFIDENTIAL DEPOSITION OF
JAMES A. GOLDSTEIN
HELD VIA WEBEX
FRIDAY, JANUARY 7, 2022
9:36 a.m.

REPORTED BY:
Jane M. Werner, RMR, CRR
Massachusetts CSR No. 149008
JOB No. 220107DWA

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1 you can answer. I share that objection. You can
2 answer.

3 THE WITNESS: I can answer anyway?

4 MR. CADIGAN: Yes. That's just for the
5 record.

6 A Can you repeat the question?

7 Q At any point, did Pillar obtain an interest in
8 LBC?

9 A So let me explain. Sarah and I spent a lot of
10 time with the company in that first year. And at one
11 point, we went to Jeremy and said, "We are spending a
12 tremendous amount of our time here. It's the most
13 valuable thing that we have. We only own 6 percent of
14 your company. That doesn't feel like enough to us. We
15 would like to own more. We'd like more upside." And
16 there was a bunch of back-and-forth discussion about
17 that.

18 And at one point, Jeremy said, "Well" -- I
19 don't remember his exact wording, but I remember the
20 sentiment was, "We have this pile at LBC that we can use
21 for people who help the development of the network. You
22 guys have been helpful in developing the network. How
23 about we give you 2 million LBC?"

24 And we said, "Okay, fine."

25 So we are owed 2 million LBC. We have never

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1 taken them. So they never left the company's vault. So
2 that's why I say -- I don't remember the exact wording
3 of your question -- but we've never owned an LBC.
4 Pillar has never owned an LBC.

5 Q Is that how Pillar records the interest on its
6 financial books?

7 A It is on our financial books. It's just never
8 been in our possession.

9 Q So it's owned, according to Pillar's financial
10 records; is that correct?

11 A Yes.

12 Q It's just not possessed at Pillar?

13 A Correct.

14 Q But it's owned by Pillar? The LBC is owned by
15 Pillar, correct?

16 A Yes. From a financial perspective -- yeah, I
17 guess from an accounting perspective, it's owned by us.
18 We have just never taken possession of it. That's
19 accurate.

20 Q So just getting back to Exhibit No. 37, I
21 think the last sentence of the paragraph I was reading
22 says, "In a sense, LBRY has a 'market capitalization' of
23 100 million (400 million credits @ \$0.25 each) and the
24 credit is moderately lifted."

25 How are you using "market capitalization"

1 COMMONWEALTH OF MASSACHUSETTS)

2 SUFFOLK, SS.)

3 I, Jane M. Werner, RMR and Notary Public in and
4 for the Commonwealth of Massachusetts, do hereby
5 certify that there came before me on the 7th day of
6 January, 2022, at 9:36 a.m., the person hereinbefore
7 named, who was by me duly sworn to testify to the truth
8 and nothing but the truth of his knowledge touching and
9 concerning the matters in controversy in this cause;
10 that he was thereupon examined upon his oath, and his
11 examination reduced to typewriting under my direction;
12 and that the deposition is a true record of the
13 testimony given by the witness.

14 I further certify that I am neither attorney or
15 counsel for, nor related to or employed by, any
16 attorney or counsel employed by the parties hereto
17 or financially interested in the action.

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1 Under Federal Rule 30:

2 X Reading and Signing was requested

3 In witness whereof, I have hereunto set my hand
4 and affixed my notarial seal this 11th day of January,
5 2022.

6 

7
8 Notary Public

9 CSR No. 149008

10 Commission expires 1/27/2028

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